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VARNUM, RIDDERING, SCHMIDT & HOWLETT

ATTORNEYS AT LAW

**SUITE 800
171 MONROE AVENUE, N.W.
GRAND RAPIDS, MICHIGAN 49503
TELEPHONE (616) 459-4186
FAX (616) 459-8468
TELEX 1561593 VARN**

**CHARLES M. DENTON
ADMITTED IN MICHIGAN AND INDIANA**

September 24, 1991

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

**Mr. Peter Felitti
United States Environmental
Protection Agency
Region 5
230 S. Dearborn Street
Chicago, IL 60604**

**Re: U.S. EPA v Great Lakes Asphalt/Enviro-Chem, et al.
(Zionsville, Indiana)**

Dear Mr. Felitti:

We represent ~~(Sparton Corporation of Brownstown, Indiana, as one of the identified potentially responsible parties (PRPs) for the above-referenced sites, and are responding to your September 4, 1991, letter received by our client September 10. Your letter proposes an undefined "de minimis contributor" settlement pursuant to CERCLA § 122(g) for the government's claimed removal action costs at the Great Lakes Asphalt site. Preliminarily, Sparton Corporation expresses its possible interest in such a settlement, depending of course upon the terms and conditions of the proposed Administrative Consent Order, the settlement allocation formula, and the basis upon which Sparton is alleged to be a PRP relative to the Great Lakes Asphalt site.~~

On the last item, namely whether or not Sparton Corporation is appropriately identified as a PRP for the Great Lakes Asphalt site, we have submitted a Freedom of Information Act (FOIA) request and have been in contact with your office to request all supporting information. To the extent you can expedite transmittal of any information which may relate to the allegation that Sparton Corporation arranged for the disposal or treatment of hazardous substances at the Great Lakes Asphalt site, such would facilitate our assessment of the advisability of participating in these

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settlement negotiations and the proposed Administrative Consent Order.

At this time, it appears that the sole basis for including Sparton as a PRP at Great Lakes Asphalt is the alleged connection between our client and the distinct Enviro-Chem facility. Thus far, we are aware of no evidence that any of the materials or substances allegedly released at the Great Lakes Asphalt site originated from Sparton or were arranged by Sparton to be disposed or treated at Great Lakes Asphalt. As well, the alleged hazardous substance release at Great Lakes Asphalt was apparently the result of vandalism, and such would therefore be subject to the "third-party" defense under CERCLA § 107(b)(3). Finally, we are still investigating the extent to which the covenant not to sue from the 1983 Enviro-Chem settlement with U.S. EPA by Sparton Corporation would be applicable to bar this action.

Subject to the above, and with a complete reservation of all rights, claims and defenses by Sparton Corporation as to the U.S. EPA, IDEM, other PRPs and third-parties, Sparton Corporation will participate preliminarily in whatever discussions and negotiations may occur relative to a settlement of the Agency's demand for reimbursement of claimed past removal action costs for Great Lakes Asphalt. Sparton Corporation's communications and participation in such settlement discussions are of course without any admission of facts, law, liability or responsibility, but solely towards an attempt to reach an amicable compromise of this dispute.

Please direct any and all further communications to Sparton Corporation in care of the undersigned as legal counsel for this PRP. Please specifically advise us of any and all settlement negotiations and discussions which may occur with regard to this matter on a timely basis.

Very truly yours,

VARNUM, RIDDERING, SCHMIDT & HOWLETT


Charles M. Denton

CMD/njh
c: R. Jan Appel